BALANCE SHEET
AS OF 12/30/92

ASSETS

SHORT TERM ASSETS			
CASH IN BANK	74,501.17		
CREDIT CARD RECEIVABLES	109,036.83		
ACCOUNTS RECEIVABLES	45,624.05		
MISC RECEIVABLES	927.52		
OTHER SHORT TERM ASSETS	720.00		
TOTAL SHORT TERM ASSETS		230,809.57	
LONG TERM ASSETS			
PROPERTY & EQUIPMENT	348,262.53		
ACCUMULATED DEPRECIATION	204,305.07-		
TOTAL LONG TERM ASSETS		143,957.46	
TOTAL ASSETS			374,767.03

LIABILITIES & EQUITY

SHORT TERM LIABILITIES			
ACCRUED WAGES	15,000.00	GENERAL MANAGER BONUS P/A 2500 X6mos	
ACCOUNTS PAYABLE TOTAL	77.11		
PAYROLL TAX LIABILITY	46.10	per final T/B s/b 46.11	
CORPORATE TAXES PAYABLE	12,600.00		
TOTAL SHORT TERM LIAB		27,723.21	
LONG TERM LIAB			
LONG TERM NOTE-ROSEWOOD	30,000.00		
TOTAL LONG TERM LIAB		30,000.00	
TOTAL LIABILITIES			57,723.~~21~~ 22
STOCKHOLDERS EQUITY			
COMMON STOCKHOLDERS		72,989.96	
RETAINED EARNINGS		140,109.60	
CURRENT EARNINGS		103,944.26	Adj. <.01> = 103944.25
TOTAL EQUITY			317,043.~~82~~ 81
TOTAL LIAB & EQUITY			374,767.03

BALANCE SHEET
AS OF 12/30/92

*** SUBSIDIARY SCHEDULE ***

CASH IN BANK	
Westamerica Checking	4,415.10
Money Market Savings	69,817.58
Wells Fargo Bank Checking	182.44
Petty Cash on Hand	86.05
	74,501.17
ACCOUNTS RECEIVABLES	
A/R-Billed Receivables	45,721.82
A/R-Other User Receivable	97.77-
	45,624.05
MISC RECEIVABLES	
Other Business A/R	151.72
Kaiser A/R	775.80
	927.52
OTHER SHORT TERM ASSETS	
Lease Deposit	720.00
	720.00
PROPERTY & EQUIPMENT	
Host System: Sequent	196,951.49
Host System: Modems	33,526.80
Host System: Peripherals	43,344.17
Host System: Workstations	31,009.29
PC's & Peripherals	26,394.61
Office Furniture & Equip	4,540.67
Leasehold Improvements	12,495.50
	348,262.53
ACCUMULATED DEPRECIATION	
Accm/Depr Host:Sequent	131,230.69-
Accm/Depr Host:Modems	16,328.09-
Accm/Depr Host:Peripheral	27,159.93-
Accm/Dep/Host:Workstation	9,521.90-
Accm/Depr PCs+Peripherals	14,226.16-
Accm/Depr Office Furn+Eq	2,184.92-
Accm/Depr Leasehold Imprv	3,653.38-
	204,305.07-
PREPAID LIABILITIES	
ACCOUNTS PAYABLE TOTAL	

BALANCE SHEET
AS OF 12/30/92

Accounts Payable Accrual	77.11
	77.11
PAYROLL TAX LIABILITY	
SDI W/H	0.01-
SUI Tax Liability	31.28
ETF Tax Liability	1.65
FUTA Tax Liability	13.18
	46.10
CORPORATE TAXES PAYABLE	
Federal Corp Tax Liab	9,900.00
State Corp Tax Liability	2,700.00
	12,600.00
LONG TERM L/P-WELLS FARGO	
LONG TERM NOTE-ROSEWOOD	
Rosewood Note Payable	30,000.00
	30,000.00
LONG TERM L/P-MODEMS	
COMMON STOCKHOLDERS	
Point Foundation	24,831.02-
Rosewood Stone	97,820.98
	72,989.96

INCOME STATEMENT
AS OF 12/30/92

RATIO: INCOME	THIS PERIOD	RATIO	12 PERIODS	RATIO
REVENUE				
MONTHLY FEES	102.210.00	88.0	943,829.15	85.3
HOURLY FEES	45,751.08	39.4	474,827.12	42.9
PACKET FEES	17,491.87	15.1	190,849.78	17.2
HIGH SPEED LINES	1,108.58	1.0	11,434.52	1.0
DISK STORAGE FEES	6,017.40	5.2	42,443.30	3.8
OTHER REVENUE	6,388.49	5.5	72,235.01	6.5
DISCOUNTS	44,956.73-	38.7-	398,448.20-	36.0-
RETURNS & ALLOWANCES	2,843.50	2.4	30,538.63	2.8
TOTAL GROSS REVENUE	136,854.19	117.9	1,367,709.31	123.6
PACKET SERVICES	16,892.61-	14.6-	203,527.56-	18.4-
PHONE SERVICES	134.24-	0.1-	11,592.20-	1.0-
SUPPORT MATERIALS	3,183.20-	2.7-	37,099.98-	3.4-
SUPPORT POSTAGE	549.25-	0.5-	8,624.67-	0.8-
TOTAL DIRECT COSTS	20,759.30-	17.9-	260,844.41-	23.6-
GROSS MARGIN	116,094.89	100.0	1,106,864.90	100.0
INDIRECT EXPENSES				
PERSONNEL	57,234.92	49.3	526,496.44	47.6
COMPUTER OPERATIONS	10,395.84	9.0	79,111.22	7.1
SALES/MARKETING	10.00	0.0	10,092.97	0.9
CUSTOMER SUPPORT	1,205.00	1.0	12,376.00	1.1
OFFICE	4,938.34	4.3	69,890.42	6.3
GENERAL & ADMINISTRATIVE	24,110.20	20.8	179,340.92	16.2
DEPRECIATION EXPENSE	5,912.42	5.1	75,987.54	6.9
TOTAL DIRECT EXPENSES	103,806.72	89.4	953,295.51	86.1
EARNINGS BEFORE INTEREST	12,288.17	10.6	153,569.39	13.9
INTEREST INCOME & EXPENSE				
INTEREST INCOME	277.89	0.2	1,121.74	0.1
INTEREST EXPENSE	998.46-	0.9-	6,546.87-	0.6-
NET INTEREST	720.57-	0.6-	5,425.13-	0.5-
EARNINGS BEFORE TAXES	11,567.60	10.0	148,144.26	13.4
CORPORATE TAX EXPENSE	25,900.00-	22.3-	44,200.00-	4.0-
Net Income	14,332.40-	12.3-	103,944.26	9.4

INCOME STATEMENT
AS OF 12/30/92

*** SUBSIDIARY SCHEDULE ***

RATIO: INCOME	THIS PERIOD	RATIO	12 PERIODS	RATIO
OTHER REVENUE				
GBN Fees	795.04	0.7	7,104.04	0.6
CPN Foreign Surcharge	1,874.82	1.6	20,776.78	1.9
Misc Income	6.80	0.0	164.30	0.0
Manual Fees	2,589.00	2.2	32,246.04	2.9
Processing Fees Billed	1,025.00	0.9	10,709.00	1.0
Late Fees	97.83	0.1	1,234.85	0.1
	6,388.49	5.5	72,235.01	6.5
DISCOUNTS				
Monthly Fees Discount	22,347.37-	19.2-	175,467.76-	15.9-
Hourly Fees Discount	17,395.99-	15.0-	178,474.59-	16.1-
CPN Discount	1,545.43-	1.3-	12,075.78-	1.1-
High Speed Discount	197.68-	0.2-	2,797.01-	0.3-
Disk Charges Discount	3,217.55-	2.8-	26,686.89-	2.4-
GBN Discount	252.05-	0.2-	2,026.12-	0.2-
CPN Foreign Surchg Disc	0.00	0.0	0.42-	0.0-
Manual Fees Discount	0.00	0.0	855.00-	0.1-
Processing Fees Discount	0.00	0.0	25.00-	0.0-
Late Fees Discount	0.66-	0.0-	39.63-	0.0-
	44,956.73-	38.7-	398,448.20-	36.0-
RETURNS & ALLOWANCES				
	0.00	0.0	45.00	0.0
	33.00	0.0	385.58	0.0
Misc Debit Adjustment	731.02-	0.6-	7,861.13-	0.7-
RBASE EOM A/R adjust bal	126.74-	0.1-	126.74-	0.0-
Recovery of Bad Debts	3,668.26	3.2	38,095.92	3.4
	2,843.50	2.4	30,538.63	2.8
PERSONNEL				
Director	0.00	0.0	39,413.35	3.6
General Manager	18,750.00	16.2	52,500.00	4.7
General Projects	0.00	0.0	21,075.68	1.9
Postmaster	0.00	0.0	19,489.48	1.8
System Administrator	3,500.00	3.0	45,058.79	4.1
Technical Manager	0.00	0.0	38,897.39	3.5
System Development	3,000.00	2.6	20,330.88	1.8
Technical Intern	0.00	0.0	1,277.50	0.1
Customer Support Manager	4,307.60	3.7	8,307.60	0.8
Customer Support Reps	5,505.32	4.7	73,089.60	6.6
Conferencing Manager	3,000.00	2.6	30,002.12	2.7
Office Manager	5,115.20	4.4	9,115.20	0.8
Accounts	3,675.00	3.2	44,354.40	4.0
Collections	0.00	0.0	29,404.82	2.7
Bookkeeper	1,700.00	1.5	24,393.50	2.2
Accounting Clerk	0.00	0.0	1,479.74	0.

INCOME STATEMENT
AS OF 12/30/92

RATIO: INCOME	THIS PERIOD	RATIO	12 PERIODS	RATIO
Payroll Tax Expense	2,934.43	2.5	36,521.46	3.3
Benefits	5,747.37	5.0	31,784.93	2.9
	57,234.92	49.3	526,496.44	47.6
COMPUTER OPERATIONS				
Computer Space Rent	476.00	0.4	5,712.00	0.5
Computer Electricity	500.00	0.4	6,000.00	0.5
Computer Hardware	192.31	0.2	3,931.49	0.4
System Software	34.00	0.0	1,654.87	0.1
Computer Maint & Repair	4,656.03	4.0	22,914.23	2.1
Tech Research & Training	0.00	0.0	918.63	0.1
Technical Programmimg	4,537.50	3.9	25,575.00	2.3
Internet Expenses	0.00	0.0	12,405.00	1.1
	10,395.84	9.0	79,111.22	7.1
SALES/MARKETING				
Promotional Materials	0.00	0.0	1,930.98	0.2
Advertising	0.00	0.0	6,700.00	0.6
Network Subscriptions	10.00	0.0	825.99	0.1
Misc Marketing Expense	0.00	0.0	636.00	0.1
	10.00	0.0	10,092.97	0.9
CUSTOMER SUPPORT				
Cust Support Programmer	1,205.00	1.0	12,376.00	1.1
	1,205.00	1.0	12,376.00	1.1
OFFICE				
Office Rent	2,332.00	2.0	29,614.31	2.7
Office Utilites	492.08	0.4	4,152.08	0.4
Office Postage	507.95	0.4	6,978.65	0.6
Office Hardware	257.23	0.2	1,917.63	0.2
Office Software	0.00	0.0	811.99	0.1
Office Phones	613.99	0.5	11,698.83	1.1
Office Supplies	998.85	0.9	11,280.75	1.0
Office Outside Services	323.76-	0.3-	565.16	0.1
Office Maint & Repairs	60.00	0.1	2,871.02	0.3
	4,938.34	4.3	69,890.42	6.3
GENERAL & ADMINISTRATIVE				
Insurance	724.00	0.6	2,554.26	0.2
Outside Services	2,420.00	2.1	29,692.77	2.7
License, Taxes and Dues	0.00	0.0	2,218.91	0.2
Bank Fees & Discount	3,081.21	2.7	28,810.36	2.6
General Travel Expense	176.00	0.2	3,067.77	0.3
Meals & Entertainment	528.91	0.5	3,384.09	0.3
Donations	0.00	0.0	84.95	0.0
Board Related Expense	148.95-	0.1-	9,334.98	0.8
TSI Collection Expense	6,053.45	5.2	6,449.60	[illegible]

INCOME STATEMENT
AS OF 12/30/92

RATIO: INCOME	THIS PERIOD	RATIO	12 PERIODS	RATIO
Service Fees, Finance Chg	4.00	0.0	109.64	0.0
Misc G & A Expense	1.43	0.0	2,993.27	0.3
Loss-Fixed Asset Dispose	5,847.74	5.0	5,888.67	0.5
Suspense	545.58-	0.5-	0.00-	0.0-
Non Deductible Expense	0.00	0.0	45.00	0.0
ACCUMULATED BAD DEBT 1992	5,967.99	5.1	84,706.65	7.7
	24,110.20	20.8	179,340.92	16.2
INTEREST EXPENSE				
Loan Interest-Sequent	57.78-	0.0-	1,040.87-	0.1-
Loan Interest-Modems	178.19-	0.2-	1,914.14-	0.2-
Loan Interest-WFB	362.49-	0.3-	2,591.86-	0.2-
Note Interest-Rosewood	400.00-	0.3-	1,000.00-	0.1-
	998.46-	0.9-	6,546.87-	0.6-
CORPORATE TAX EXPENSE				
Federal Corp Tax Expense.	16,300.00-	14.0-	30,900.00-	2.8-
State Corp Tax Expense	9,600.00-	8.3-	13,300.00-	1.2-
	25,900.00-	22.3-	44,200.00-	4.0-